

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Evergreen Fibreboard Berhad ("EFB") presents the Group's corporate governance ("CG") practices for the financial year ended 31 December 2025 ("FY2025"). This overview describes the principles of EFB's CG framework and highlights how the Board has enhanced its practices to comply with the Malaysian Code on Corporate Governance 2021 ("MCCG") pursuant to the Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

## ON BOARD LEADERSHIP AND EFFECTIVENESS

### Practice 1.1

The Board recognises its responsibility for setting EFB's strategic direction and ensuring effective oversight over performance, risk and sustainability. During FY2025 the Board undertook, among others, the following activities:

- a) Together with Management, set the Group's strategies, objectives and budgets across all business units, taking into account risk, sustainability and corporate governance considerations;
- b) Monitored the financial and non-financial performance of each company/business unit via regular updates; advised Management on corrective actions where necessary;
- c) Reviewed the ethical standards under the Code of Conduct and Business Ethics, and updated policies on risk management, whistle-blowing, anti-bribery and stakeholder communication to reflect enhancements in conflict-of-interest disclosure requirements;
- d) Reviewed the National Sustainability Reporting Framework (NSRF) and adoption of IFRS S1 and IFRS S2 where a gap analysis was carried by the Internal Auditors as to ensure the compliance by the Company and monitored the progress against the adoption timeline applicable to the Group; and
- e) Ensured that all directors completed the Mandatory Accreditation Programme Part II: Leading for Impact (LIP), new mandatory sustainability on-boarding programme introduced by the Securities Commission Malaysia and Bursa Malaysia.

### Practice 1.2

EFB's Non-Independent Non-Executive Chairman, Mr. Jonathan Law Ngee Song, focuses on matters of the Board, providing strategic direction and ensuring adherence to good corporate governance. Together with the Company Secretaries and Management, he champions sustainability reporting and NSRF compliance, oversees directors' compliance with mandatory training (including LIP), and reviews the Corporate Governance Report and CG Overview Statement to ensure alignment with MCCG and the latest Listing Requirements.

### Practice 1.3

The positions of Chairman and Chief Executive Officer (CEO) remain separate. Mr. Jonathan Law Ngee Song serves as Non-Independent Non-Executive Chairman while Mr. Kuo Jen Chang serves as CEO. This separation ensures a clear division of responsibilities and promotes accountability.

### Practice 1.4

The Chairman is not a member of any Board committee except that he chairs the Sustainability Management Committee and does not attend any other committee meetings.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### ON BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

#### Practice 1.5

The Board is supported by two qualified and experienced Company Secretaries, Ms. Tan Yit Chan (MAICSA 7009143) and Ms. Santhi A/P Saminathan (MAICSA 7069709). They provide advice on Corporate Governance, Listing Requirements and best practices, including guidance on sustainability reporting and conflict-of-interest disclosures.

#### Practice 1.6

Directors receive meeting materials (minutes of the previous meeting, agenda and supporting papers) at least six days before each meeting. Minutes are prepared and circulated electronically for review shortly after each meeting and are confirmed at the next meeting. Virtual meetings are utilised where appropriate, while general meetings are conducted in person in accordance with Bursa Malaysia's latest requirements.

#### Practice 2.1

EFB's Board Charter, available on the Company's website, was reviewed and adopted on 24 February 2025. It clearly delineates the roles and responsibilities of the Board and its committees and incorporates updates to the Listing Requirements, including the requirement for woman director on the Board, disclosure of CEO remuneration on a named basis, directors' responsibilities for sustainability reporting under the NSRF and enhanced conflict-of-interest provisions.

#### Practice 3.1

The Board established, reviews and approves EFB's Code of Conduct and Business Ethics ("the Code"). Together with Management, it has implemented policies and procedures to manage conflicts of interest and potential conflicts (including interests in competing businesses and those involving subsidiaries), prevent abuse of power, corruption, insider trading and money laundering. The updated Code in June 2025, is made available on the Company's website.

#### Practice 3.2

The Board promotes a corporate culture that values integrity, transparency and fairness. It has adopted and implemented a whistle-blowing policy, anti-bribery policy and stakeholder communication policy. All employees and stakeholders may raise concerns confidentially without fear of reprisal. These policies are published on the Company's website.

#### Practice 4.1

The Board, together with Management, is responsible for governance of sustainability in the Group. During FY2025 the Board approved sustainability strategies and targets, aligned to its sustainability policy, and monitored their implementation. It ensured that employees are trained on sustainability-related risks and opportunities, including climate-related risks, which are integrated into the Group's risk management and strategic planning. The Board oversees the preparations for current sustainability reporting and in view of the Group's compliance with IFRS S1 and IFRS S2 in the next financial year.

#### Practice 4.2

Through the Sustainability Management Committee and Management, the Board sets the Group's sustainability strategies and targets. The Committee reviews performance against targets and recommends improvements. Sustainability performance and targets are disclosed in the Group's Sustainability Statement and on the Company's website, in line with the NSRF. The committee also monitors developments in ISSB standards and prepares for external assurance of sustainability information when it falls due.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### ON BOARD LEADERSHIP & EFFECTIVENESS (Cont'd)

#### Practice 4.3

The Board keeps abreast of sustainability issues relevant to the Group through seminars and training. In FY2025, all directors completed the Mandatory Accreditation Programme Part II: Leading for Impact (LIP) which covers ESG considerations and sustainability reporting. Directors also attended programmes on conflict-of-interest rules, NSRF reporting on IFRS S1 and S2 implementation, climate-related risk and opportunities, and updates to the Listing Requirements.

The Directors attended trainings on sustainability and other topics to ensure sufficient knowledge and understanding concerning sustainability. During the FY2025, the trainings attended by the Directors of the Company are as follows: -

Jonathan Law Ngee Song	- Sustainability Training
Kuo Jen Chang	- Sustainability Training
Kuo Jen Chiu	- Sustainability Training
Kuan Kai Seng	- Sustainability Training
Mary Henerietta Lim Kim Neo	- Seminar on Life Cycle Assessment (LCA) of Primary Wood Products in Malaysia; - Sustainability Training; - Boardroom Blind spots: How Our Perceptions of Risk Influence our Boardroom Effectiveness; - Towards Energy Efficiency: Sustainable Solutions for Malaysia's Timber Industry; - NSRF Preparers' Programme (NPP) Module 1: Sustainability Reporting Using the ISSB Illustrative Sustainability Reports; - The New SORMIC Guide 2025: What It Is All About & Its Implications to Listed Issuers, Directors, Management & Auditors; - Webinar Strategic Trade Act 2010 (STA 2010): Stimulate Industrial Growth & Commercial Industry Support Services Through High-Risk Control, Safety Management & Adherence to Compliance Procedures; and - Webinar on Imports & Exports Procedures & Trade Facilities.
Tan Mui Ping	- Tratax 2025 Tax Conference; - ICDM Advocacy Dialogue and Networking Session: EInvoicing and its Impact on Directors; - Strengthening Board Audit Committee Oversight; - ICDM post-Budget 2026 Dialogue: Key Highlights; and - Sustainability Training.
Hong Kim Heong	- E-Invoicing for Directors; - Harmony or Power Play/ Decoding Board-Management relationships; - The shift in boardroom dynamics: Enhancing governance and strategic leadership; - Directors' disclosure on conflict of Interests; and - Sustainability Training.
Shameer Bin Othman	- Mandatory Accreditation Programme (MAP) I; - Mandatory Accreditation Programme (MAP) II; and - Sustainability Training.

#### Practice 4.4

The Board is aware that addressing material sustainability risks and opportunities is the responsibility of the Board and Senior Management. The annual assessment forms of the Board comprise the evaluation relating to ESG or sustainability. The Board also established Sustainability Management Committee ("SMC") chaired by Mr. Jonathan Law Ngee Song, non-Independent Non-Executive Chairman. The SMC oversees the sustainability management framework, initiatives and company/group's strategies to promote sustainability in relation to economic, environment, social and governance matters. The SMC will meet twice yearly to review the Sustainability Management Report presented by Management.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### ON BOARD LEADERSHIP & EFFECTIVENESS (Cont'd)

#### Practice 4.5 – Step Up

The Board has adopted the practice of designating a responsible officer to coordinate and support the implementation of the Group's sustainability strategies and initiatives across its operations. This role supports the Sustainability Management Team ("SMT") and facilitates the effective execution, monitoring and reporting of sustainability-related matters in line with the Group's sustainability framework and governance structure.

#### Practice 5.1

The Nominating Committee ("NC") reviews the Board composition periodically. The Independent Director tenure upon reaching a cumulative term of nine years, and if retention is required by the Board, then the retention would require shareholder approval via a two-tier voting process. The NC recommends re-election of directors based on annual performance evaluation, fit-and-proper assessment and the Group's diversity policy.

#### Practice 5.2

The Board comprises eight (8) members, consisting of four (4) Independent Non-Executive Directors and four (4) Non-Independent Directors. Accordingly, Independent Directors represent fifty percent (50%) of the Board, meeting the recommended proportion of independent representation to ensure effective oversight, objectivity and balance in the Board's decision-making process.

#### Practice 5.3

The tenure of Independent Directors upon completion of nine years, if retention is deemed necessary by the Board and Nominating Committee, the Board will seek for shareholders' approval through a two-tier voting process with proper justification. Independent directors who have reached a cumulative of 12 years will be redesignated as Non-Independent Directors or resign from the Board in accordance with Bursa Malaysia Listing Requirements. At this forthcoming 35th AGM, an Independent Director, Mr. Kuan Kai Seng will be reaching 12 years cumulative term and due for re-election, has extended his intention not to seek for re-election and therefore, he will cease office after the conclusion of the 35th AGM.

#### Practice 5.4 – Step Up

The Board does not adopt this step-up process. However, the Board applies a principles-based approach, assessing independence annually and seeking shareholder approval for two-tier voting where retention of an Independent Director beyond nine years is deemed beneficial for the Company.

#### Practice 5.5

The Nominating Committee ("NC") is responsible for identifying and recommending candidates for Board appointments. It evaluates candidates against competencies and attributes required for effective Board membership and conducts comprehensive background checks, including assessment of financial and character integrity, fit-and-proper criteria and potential conflicts of interest. The NC also ensures that the Board has sufficient sustainability expertise and diversity. Directors are required to notify the Board for any appointment on board of listed and non-listed companies prior to the appointment.

#### Practice 5.6

The NC leverages independent sources to identify suitable candidates. These include the Institute of Corporate Directors Malaysia and other professional networks, to broaden the pool of candidates and enhance diversity.

#### Practice 5.7

The NC had based on the annual assessment conducted in December 2025, recommended the re-election of Mr. Kuo Jen Chiu, Ms. Tan Mui Ping pursuant to the Company's Constitution, after reviewing their performance, contribution and fit and proper criteria assessment who retire by rotation in meeting held on 23 February 2026, for approval by shareholders at the forthcoming 35th AGM.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### ON BOARD LEADERSHIP & EFFECTIVENESS (Cont'd)

#### Practice 5.8

The Company's Nominating Committee is chaired by Independent Director Ms. Hong Kim Heong. Her profile is available in the Director's Profile of the Annual Report 2025.

#### Practice 5.9

As at the date of this Report, the Board comprises eight (8) Directors, including three women directors representing 37.5% which is higher than the 30% requirements.

#### Practice 5.10

The Board Diversity Policy outlines that the Board to contain at least 30% female representation and to ensure a mix of skills, age and cultural background. The Board Diversity Policy is available at the Company's corporate website at [www.evergreengroup.com.my](http://www.evergreengroup.com.my). The Company had achieved the female participation in Board and Senior Management level.

#### Practice 6.1

The NC carries out annual performance evaluation covering the Board, Board Committees, individual directors (including independent directors), Key Officers and the Company Secretaries. The evaluation considers skills, experience, diversity, core competencies and risk and sustainability management. Evaluation forms are circulated and collated by the Company Secretaries and results are discussed at the Nominating Committee meeting. The Board uses the findings to identify areas for improvement and training needs, including sustainability and conflict-of-interest management. The NC carries out its duties in accordance with the Terms of Reference and the Directors' Fit and Proper Policy downloadable from the Company's website at [www.evergreengroup.com.my](http://www.evergreengroup.com.my).

#### Practice 7.1

The Company maintains a remuneration policy on fees and other benefits for Non-Executive Directors which is reviewed and approved by the Board. The fees and other benefits structure take into consideration the responsibilities and contributions of each individual director to the Board as well as the Board Committees which they sit in. A formal remuneration framework and salary structure maintained for Executive Directors, Senior Management and Key Officers, taking into account their roles and contributions to the Group.

The Remuneration Policy for NEDs, Senior Management and Key Officers are made available on the Company's corporate website at [www.evergreengroup.com.my](http://www.evergreengroup.com.my).

#### Practice 7.2

The Remuneration Committee has written terms of reference that define its authority and duties. The terms of reference are published on the Company's corporate website at [www.evergreengroup.com.my](http://www.evergreengroup.com.my).

#### Practice 8.1

The total fees and other benefits for FY2025 totaling RM450,000 for Non-Executive Directors were approved by shareholders at the Annual General Meeting ("AGM") held on 26 May 2025. The total amount paid to non-executive directors for FY2025 was RM411,519.60.

The proposed fees and other benefits for Non-Executive Directors for FY2026 totaling RM450,000 will be tabled for shareholders' approval at the forthcoming 35th AGM and the detail breakdown are as follows: -

- a. RM100,000 to Mr. Jonathan Law Ngee Song;
- b. RM80,000 to Ms. Tan Mui Ping;
- c. RM80,000 to Ms. Hong Kim Heong;
- d. RM80,000 to En. Shameer Bin Othman; and
- e. RM60,000 to Mr. Kuan Kai Seng

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### ON BOARD LEADERSHIP & EFFECTIVENESS (Cont'd)

#### Practice 8.2

The Company has elected not to disclose the individual remuneration of Senior Management due to competitive nature of the industry and risk of competitors using such information to target and lure key personnel. The Board has departed from Practice 8.3 and will continue to review it from time to time. Nevertheless, the detailed remuneration of the Company's CEO and COO have been disclosed under Practice 8.1 in the Company's Corporate Governance Report 2025

#### Practice 8.3 – Step Up

Not adopted.

#### Practice 9.1

The Audit Committee carries out its duties in accordance with the Terms of Reference downloadable from the Company's website at [www.evergreengroup.com.my](http://www.evergreengroup.com.my). The Audit Committee is chaired by Mr. Kuan Kai Seng, who is not the Chairman of the Board.

#### Practice 9.2

The Audit Committee's terms of reference provide for a cooling-off period of three years before a former audit partner of the external audit firm may be appointed as a director of the Company. Any offer of employment to a former employee of the external audit firm for a senior management position requires pre-approval by the Audit Committee.

#### Practice 9.3

The Company has policy to assess the external auditors. The Audit Committee ("AC") and NC will review the external auditor's performance annually to assess their objectivity, suitability and independence prior to re-appointment of auditors. As part of the assessment, the AC also require feedback from the members of senior management regarding the quality of audit service.

#### Practice 9.4 – Step Up

The Audit Committee comprises of solely Independent Directors, consistent with the Listing Requirements and MCCG recommendations.

#### Practice 9.5

Members of the Audit Committee possess a wide range of skills covering accounting, finance, audit, law, regulation and business practice. All members are financially literate and keep themselves updated on developments in accounting and audit standards through regular training.

#### Practice 10.1

The Board affirms its responsibility for establishing a sound risk management and internal control system and reviews the adequacy and effectiveness of these systems. The Board established a Risk Management Committee to assist the Board to oversees matters related to risk, compliance and controls and reports to the Board on key deliberations and decisions for a sound risk management and internal control system.

#### Practice 10.2

The Group's risk management and internal control system includes an enterprise risk management system guided by ISO 31000 & COSO principles, linking risks to business strategies and objectives; a risk appetite and tolerance level approved by the Board; a clear reporting structure from subsidiaries to the Group; a risk reporting timeline; and governance based on the "three lines of defense" model. Climate-related risks are being incorporated into the risk register.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### ON BOARD LEADERSHIP & EFFECTIVENESS (Cont'd)

#### Practice 10.3 – Step Up

The Risk Management Committee of the Company comprises of three Independent Non-Executive Directors and one Senior Management to oversee the risk management framework and policies.

#### Practice 11.1

The Audit Committee is supported by an outsourced internal audit function provided by BDO Governance Advisory Sdn. Bhd., which reports directly to the Audit Committee. The Internal Auditors perform internal control reviews on areas agreed with the Audit Committee and report their findings directly to the Audit Committee.

#### Practice 11.2

The Internal Auditors (BDO Governance Advisory Sdn. Bhd.) and their personnel have confirmed their independence and free from relationships or conflicts of interest with the Group's Directors and Senior Management. The details of the outsourced internal audit are disclosed in the Statement of Risk Management and Internal Control. BDO's Internal Audit team is led by their Executive Director and adheres to the International Professional Practice Framework of the Institute of Internal Auditors.

#### Practice 12.1

The Company has established a Policy on Stakeholders Communication and its available at the Company's corporate website at [www.evergreengroup.com.my](http://www.evergreengroup.com.my). The Investor Relations function reports feedback from stakeholders to the Board. The Company maintains its corporate website with financial and non-financial announcements, including sustainability reports, presentations delivered at general meetings and investor briefings.

#### Practice 12.2

Not applicable as the Company is not a large company as defined by the MCGG.

#### Practice 13.1

Notice of the AGM and proxy forms are being dispatched to shareholders at least 28 (twenty-eight) days before the meeting to give shareholders sufficient time to prepare. The AGM notice includes the explanation of each resolution and details of the voting process.

#### Practice 13.2

The AGM is the principal forum for dialogue with shareholders. Directors attend the AGM and answer shareholders' questions on the Company's financial and non-financial performance, sustainability initiatives, and other governance matters.

#### Practice 13.3

The Company departs from this practice as the Board is of the view that: -

- a) physical general meetings provide more opportunities for shareholders to interact face-to-face with the Board, Senior Management and other shareholders, which enhances the quality and depth of engagement and communication;
- b) physical meetings reduce the risk of potential technical issues, disruptions or cyberattacks that could affect the smooth conduct of virtual or hybrid general meetings and compromise the security and integrity of the meeting and voting process;
- c) the cost involved in having additional meeting venues for shareholders to participate through electronic means would not benefit the Company as an operating entity. Shareholders have the opportunity to participate at general meetings through their proxies and they may also raise question by posting them to our investor email [irevergreen@efb.com.my](mailto:irevergreen@efb.com.my) ; and
- d) the Company is also mindful of the accessibility and convenience of some shareholders, especially those who are not familiar or comfortable with using technology or do not have reliable internet access or devices to participate in virtual or hybrid general meetings.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### ON BOARD LEADERSHIP & EFFECTIVENESS (Cont'd)

#### Practice 13.4

The Chairman at the commencement of each general meeting briefs shareholders of their right to speak and vote.

At the AGM, the Group Chief Financial Officer presents the Company's financial and non-financial performance and strategies. Shareholders may submit their questions prior to AGM via the email provided in the AGM Admin Guide or may raise their questions directly at the AGM for the Board to respond accordingly.

#### Practice 13.5

During general meetings, the questions submitted by shareholders pre-AGM are displayed on the screen and read aloud by the Group Chief Financial Officer, who then respond accordingly. The question raised by the shareholders present at the AGM are then addressed by the Group Chief Financial Officer or, where appropriate, by the Chairman, relevant Directors or members of Management accordingly.

#### Practice 13.6

The minutes of the general meeting are uploaded to the Company's corporate website at [www.evergreengroup.com.my](http://www.evergreengroup.com.my) within 30 business days after the general meeting.

This Corporate Governance Overview Statement was approved by the Board of Directors on 01 April 2026.